

CEOs Are America's New Diplomats

By Jareli Reynoso Gutierrez, J.D. Candidate 2021 | October 28, 2018

The Saudi investment conference, nicknamed “Davos in the Desert,” took a hit after three Wall Street executives and dozens of top business leaders withdrew their attendance over the disappearance and murder of Jamal Khashoggi, a Saudi critic and Washington Post journalist. Some of those leaders were Jamie Dimon of JPMorgan, Stephen Schwarzman of Blackstone, Larry Fink of BlackRock, and Masayoshi Son of Softbank. The boycott’s main purpose was a call for an investigation into Khashoggi’s death and punishment of those involved. While business leaders chose to publicly boycott the conference, inaction was the U.S. Government’s predominant response, leaving some to question [if CEOs are acting as the country's new diplomats](#).

Davos in the Desert was created to attract [foreign investment](#) into the Saudi economy to assist Prince Mohammed bin Salman’s, who is suspected of ordering Khashoggi’s killing, visions of economic reform and modernization of Saudi Arabia. The conference commenced on October 26 and is taking place at Riyadh’s Ritz-Carlton Hotel. The effects of the boycott were present during the first day of the conference. While many of the sessions were packed, others were sparsely attended. The question now is whether the boycott accomplished its supposed request for an investigation into Khashoggi’s death.

A more interesting question to ask is if the boycott will actually translate into an economic impact on Saudi Arabia or if [it was just for show](#). Henry Hall, the associate director at Critical Resource, stated that his decision not to attend is separate from the prospect of investing in Saudi Arabia and that there are “huge economic opportunities in Saudi Arabia,” which companies need to balance along with reputational risks. Saudi Arabia is a [top purchaser of Western weapons](#), generating billions in revenue for the U.S. The fear of straining business relationships with Saudi Arabia lead many companies to send lower-level executives in lieu of top executives, which seems to point towards a false boycott.

Distrust of the world’s business leaders’ morally grounded demonstration seems well placed. Considering that such a boycott could cause irreparable harm to the leaders’ business interests in Saudi Arabia, it is likely that their actions were just for show. Harming their business interest is not a well-known risk that business leaders take on grounds of morality. After all, another event overshadowed by the boycott and drenched in human rights abuses is the [Yemen war](#) created by Saudi Arabia and assisted by the U.S., which has led to Yemen’s most severe famine in 100 years. Are the CEOs planning to boycott Saudi Arabia on these grounds as well?

